

P2 Loan Fund Disbursements and Repayments



P2 loan funds are disbursed after closing, upon receipt of executed documents. Office of Pollution Prevention and Compliance Assistance (OPPCA) administrative staff will process disbursements on a first-come, first-serve basis. P2 loan funds will be transferred to the lending institution within a timely manner, consistent with MDEQ administrative rules.

Loan funds will be repaid in accordance with the executed lender agreement, per the loan repayment schedule. All principal payments will be forwarded to the OPPCA administrative staff for processing until the loan is paid back in full. Final notice will be given from the lender to the OPPCA upon repayment of the final principal payment.



PLEASE FORWARD ALL REPAYMENT TO:

Small Business P2 Loan Program
Office of Pollution Prevention and Compliance Assistance
Michigan Department of Environmental Quality
PO Box 30457
Lansing, MI 48909-7957

PLEASE NOTE: Optional preproject eligibility meetings are available to the applicant by calling the Environmental Assistance Center at 800-662-9278 *before* the business meets with the lending institution.



Small Business P2 Loan Program
www.michigan.gov/deqp2loan

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Michigan Department of Environmental Quality



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Lenders:

Participate in a program to provide small businesses with low interest financing for pollution prevention projects

Small Business Pollution Prevention Loan Program

Be a part of the effort to help businesses generate less pollution and save money too!

What is Pollution Prevention (P2)?

Pollution prevention is "source reduction and environmentally sound on-site or off-site reuse or recycling."

Pollution prevention is NOT pollution control.



Jennifer M. Granholm, Governor
Steven E. Chester, Director
Michigan Department of Environmental Quality



About the Program:

Michigan Department of Environmental Quality (MDEQ), Office of Pollution Prevention and Compliance Assistance's Small Business Pollution Prevention (P2) Loan Program allows small businesses to apply for P2 loans up to \$400,000 at an interest rate of 5% or less. The lending institution shares in leveraging the loans by providing half of the financing. Lending institutions can charge a competitive interest rate for their share of the loan, effectively blending the interest rate with the MDEQ's share not to exceed 5%. MDEQ's share of the loan is limited to a maximum contribution of \$200,000 from the P2 loan fund. Loans in excess of \$400,000 may be negotiated separately by the lender to finance larger P2 projects.

A participating lending institution can be an in- or out-of-state bank, thrift, or credit union. To become a participating lending institution, fill out and submit a "lender agreement" form.

By using the financial assistance and professional expertise of lending institutions, the MDEQ's Small Business P2 Loan Program aims to assist small businesses in funding eligible P2 projects with low-interest financing. Lending institutions participate in leveraging loans up to \$400,000 by providing half of the financing requested. The lender ensures that the applicant has a satisfactory credit rating, establishes the terms and conditions of the loan, and provides the match financing to the small business.

How do You Become a Participating Lender?

Submit a "lender agreement" form, along with the corresponding loan application, to:

Small Business Pollution Prevention
Loan Program
Office of Pollution Prevention and
Compliance Assistance
Michigan Department of
Environmental Quality
PO Box 30457
Lansing, MI 48909-7957

Lender agreement and loan application forms are available through the Office of Pollution Prevention and Compliance Assistance at 800-662-9278 or by selecting Documents and Publications at www.michigan.gov/deqp2loan.

Business and Project Eligibility Requirements

Any business located in Michigan that is . . .

- independently owned and operated;
- not dominant in its field;
- employs 500 people or less; and
- meets the "small business" requirements of the P2 loan program.

Projects must reduce or eliminate . . .

- waste generated;
- energy used;
- hazards to public health associated with waste generated at the applicant's place of business.

Types of projects that can be financed include:

- equipment or technology modifications;
- process or procedure modifications;
- raw material substitution;
- housekeeping, maintenance, inventory control improvements;
- specific types of employee training;
- energy conservation studies or specifications;
- on-site water conservation;
- agricultural energy production.*

Ineligible expenditures include those with prior incurred costs, refinancing, labor or operating costs, taxes, fees, and land acquisitions, and when the primary purpose of the loan would be to increase production. The Small Business P2 Loan Program is foremost devoted to projects that would result in reduced generation of pollution.

Applicant Information Needed to Apply for a Loan

- Pollution Prevention Project Description
- Estimated Project Costs
- Estimated Project Schedule
- Estimated Reduction in Pollution
- Certified Agreement to Obtain any Needed Environmental Permits

A project loan application, available through the lending institution or the MDEQ, is provided to the applicant to be completed. The lending institution submits the completed project application request to the MDEQ for a "project eligibility determination."

*Additional eligibility requirements apply.